

CITY OF QUINTER, KANSAS
Audit Report
January 1, 2011 to December 31, 2011

MAPES & MILLER
Certified Public Accountants
Quinter, Kansas

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January 1, 2011 to December 31, 2011

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Quinter
Quinter, Kansas 67752

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Quinter, Kansas, as of and for the year ended December 31, 2011, which comprises the basic financial statement of the City's primary government as listed in the table of contents. This financial statement is the responsibility of the City of Quinter's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statement does not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data or its component units. The City has not issued such reporting entity financial statements. The effect on the financial statement of the omission of the component units, although not reasonably determinable, is presumed to be material.

As described more fully in Note 1, the City of Quinter, Kansas, has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the omission of the discretely presented component units, as discussed above, and because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Quinter, Kansas as of December 31, 2011, or the respective changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above present fairly, in all material respects, the aggregate cash and unencumbered cash balance of the primary government of the City of Quinter, Kansas, as of December 31, 2011, and the aggregate cash receipts and expenditures for the year ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget and individual fund schedules of cash receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

Mapes & Miller

Certified Public Accountants
July 2, 2012

CITY OF QUINTER, KANSAS

Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended December 31, 2011

STATEMENT 1

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Funds						
General Fund	\$ 253,910	614,499	694,121	174,288	52,294	226,582
Special Revenue Funds						
Library Fund	4,832	53,370	52,000	6,202	0	6,202
Employee Benefits Fund	10,883	45,888	39,869	16,902	7,732	24,634
Special Highway Fund	7,869	21,911	21,000	8,780	0	8,780
Equipment Reserve Fund	30,432	10,000	22,623	17,809	0	17,809
Capital Improvement Fund	58,350	72,088	40,000	90,438	11,254	101,692
City Park Donations Fund	298	0	0	298	0	298
Proprietary Type Funds:						
Enterprise Funds						
Water Utility - Revenue Fund	96,229	163,877	157,816	102,290	0	102,290
Water Utility - Principal & Interest Fund	42,233	41,493	41,494	42,232	0	42,232
Water Utility - Operations & Maintenance Fund	0	115,123	115,123	0	9,184	9,184
Water Utility - Bond Reserve Fund	10,400	1,200	0	11,600	0	11,600
Sewer Utility Fund	44,120	122,628	120,616	46,132	18,252	64,384
Sewer Utility - Principal & Interest Fund	84,974	74,299	76,395	82,878	0	82,878
Fiduciary Type Funds:						
Private Purpose Trust Funds						
Revolving Loan I Fund	32,998	5,472	36,092	2,378	155	2,533
Revolving Loan II Fund	56,620	14,691	60,266	11,045	0	11,045
Total Reporting Entity	\$ 734,148	1,356,539	1,477,415	613,272	98,871	712,143

Composition of Cash:

First National Bank, Quinter, KS	\$	275
Checking Accounts		671,723
Money Market Accounts		40,145
NOW Accounts		
Total Reporting Entity	\$	712,143

The notes to the financial statement are an integral part of this statement.

CITY OF QUINTER, KANSAS
Notes to the Financial Statement
December 31, 2011

1. Summary of Significant Accounting Policies

Reporting Entity

The City of Quinter, Kansas, operates as a third class city in accordance with the laws of the State of Kansas. The City operates under a mayor-council form of government and provides the following services; public safety (police and fire protection), highways and streets, water, sewer, sanitation, culture and recreation, planning and zoning, public improvements and general administrative services.

Accounting principles generally accepted in the United States of America require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading or incomplete. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing body.

The City's financial statement does not include the financial data for the City's legally separate component units, and therefore, is not a complete presentation in accordance with generally accepted accounting principles. The following entities are considered to be component units of the City:

Quinter Housing Authority. The Quinter Housing Authority owns and operates a subsidized public apartment complex for the low-income elderly. The Quinter Housing Authority is considered a component unit of the City due to the City's ability to control the Housing Authority by appointment of its governing board. The unaudited financial statements for the Quinter Housing Authority can be obtained from Denise Wittman, Treasurer, at 914 S. Main, Quinter, KS.

Jay Johnson Public Library. The Jay Johnson Public Library is the City's public library. The Jay Johnson Public Library is considered a component unit of the City due to the City's ability to control the appointment of its governing board and the Library's fiscal dependency on appropriations from the City of Quinter. The unaudited financial statements for Jay Johnson Public Library can be obtained from Sharon DuBois, Board Treasurer, at 411 Main Street, Quinter, KS.

Fund Accounting

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulation, restrictions or limitations.

The following types of funds comprise the financial activities of the City of Quinter for the year ended 2011:

Governmental Type Funds:

General Funds-to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds-to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to be expended for specified purposes.

Proprietary Type Funds:

Enterprise Funds-to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Type Funds:

Private Purpose Trust Funds-used to report trust agreements where both the principal and interest is used to benefit individuals, private organizations and other governmental units.

Reimbursements

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures during the year of purchase.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of the statutory basis financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidence by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c) waiving the requirement for application of generally accepted accounting principles and allowing the City to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

2. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2011.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are usually supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds and the following funds:

Special Revenue Funds

Equipment Reserve Fund
City Park Donations Fund
Capital Improvement Fund

Enterprise Funds

Water Utility – Bond Reserve Fund

Spending in funds, which are not subject to the legal annual operating budget requirements, are controlled by federal regulation, other statutes, or by the use of internal spending limits established by the governing body.

3. Property Taxes

Property taxes are levied November 1st of the calendar year. A lien is placed on the property when the taxes are levied. The taxes are due ½ on December 20th and ½ the following May 10th. Any taxes unpaid at the due dates are considered delinquent.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year: such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operation of the City and therefore are not susceptible to accrual. It is not practical to apportion delinquent taxes held by the County Treasurer at the end of the audit period, and the amounts are not material to the financial statement taken as a whole.

4. Defined Benefit Pension Plan

Plan description. The City of Quinter, Kansas, participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefits provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas Avenue, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary for active members hired before July 1, 2009. For active members employed on or after July 1, 2009, K.S.A. 74-49,210 establishes the KPERs member-employee contribution rate at 6% of covered salaries. The employer collects and remits member-employee contributions according to the provision of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERs is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERs employers. The employer rate established for calendar year 2011 was 6.74%, which includes Death and Disability Insurance rate of 1%. The City of Quinter, Kansas, employer contributions to KPERs for the years ending December 31, 2011, 2010, and 2009, were \$13,252, \$12,332, and \$8,220, respectively, equal to the required contributions for each year as set forth by the legislature.

5. Revolving Loan I Fund

The City of Quinter, Kansas, obtained funds from a Small Cities Community Development-Economic Development Grant in 1986 and subsequently loaned the funds to Flex-King, Inc. Per the grant agreement, the recapture of the grant money from Flex-King, Inc. could be returned to the State or retained locally to create a Revolving Loan Fund. The latter option was chosen.

The City of Quinter Revolving Loan Fund I was established to stimulate private investment and create or retain permanent jobs for low and moderate income citizens of the City. The monies from this fund provide fixed asset financing for new and expanding businesses. Potential businesses must demonstrate that their project is economically viable and meet other eligibility requirements.

6. Revolving Loan II Fund

The City obtained funds from a Rural Business Enterprise Grant in 1999 to establish this fund. The purpose of this fund is to stimulate private investment and create or retain permanent jobs in Quinter. To be eligible for the monies, a potential business must demonstrate economic viability, be located within the city limits, and meet leverage requirements. The City is required to comply with certain relending criteria.

7. Deposits and Investments

K.S.A. 9-1401 establishes the depositories that may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on the funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by the federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2011.

At December 31, 2011, the City's carrying amount of deposits was \$712,143 and the bank balance was \$1,052,372. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,408 is covered by federal depository insurance and the balance of \$801,964 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

8. Compensated Absences

Vacation leave is a liability of the employer to the employee. Vacation leave accumulates for one year only and may be claimed as part of the pay for each unit of twelve months of continuous service.

Full-time employees are entitled to vacation leave as follows:

Year 1	-	5 days
Year 2 to 10	-	10 days per year
Year 11 to 19	-	15 days per year
Year 20 and above	-	20 days per year

Accrued vacation leave is paid to the employee upon termination.

Sick leave is an accumulative liability of the employer to the employee. Full-time employees earn one full day per month of sick leave. There is no maximum accumulation for sick leave. Sick leave accumulates monthly and may be claimed with pay only in the case of an illness which renders the employee incapable of performing their duties, doctors appointments, or care of a close relative. Any accumulated days over 120 will be paid at fifty percent.

Compensatory time is an accumulative liability of the employer to the employee. Compensatory time is earned for overtime hours worked and is accrued at one and one-half times the overtime hours worked. Compensatory time may be carried over from month to month and year to year, but will not exceed 20 hours from any given month or year. The City Treasurer will pay all hours over the allowed 20 hours at the end of each month, subject to review by the City Administrator/City Clerk.

See Note 15 – Long-term Debt for additional information.

9. Special Items-Industrial Revenue Bonds

In 2000, the City authorized the issuance of Industrial Revenue Bonds, Series 2000 in the amount of \$275,000 for the purposes of acquiring, renovating and improving a commercial facility to lease such facility to Formation Plastics, Inc. The lease agreement provides the lease payment to be paid by Formation Plastics, Inc. directly to the fiscal agent, First National Bank, Goodland, Kansas. The fiscal agent is responsible for collecting the lease payments and paying the interest and bonds to the bond holders.

On November 22, 2005, the City authorized the issuance of Industrial Revenue Bonds, Series 2005 in the aggregate principal amount not to exceed \$525,000 for the purpose of acquiring, renovating and improving a commercial facility to lease such facility to T & T Chemical, Inc. The lease agreement provides the lease payment to be paid by T & T Chemical, Inc. directly to the fiscal agent, State Bank, Hoxie, Kansas. The fiscal agent is responsible for collecting the lease payments and paying the interest and bonds to the bond holders.

10. Interfund Transfers

Operating transfers were as follows:

From	To	Amount	Statutory Authority
General Fund	Equipment Reserve Fund	\$ 10,000	12-1,117
General Fund	Capital Improvement Fund	72,088	12-1,118
Water Utility – Revenue Fund	Water Utility – Principal & Interest Fund	41,493	12-825d
Water Utility – Revenue Fund	Water Utility – Operations & Maintenance Fund	115,123	12-825d
Water Utility – Revenue Fund	Water Utility – Bond Reserve Fund	1,200	12-825d
Sewer Utility Fund	Sewer Utility – Principal & Interest Fund	74,299	12-825d

11. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City purchased commercial insurance for these potential risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past three fiscal years.

12. Compliance

K.S.A. 44-1030 states that contracts for the construction, alteration, or repair of any public building or public work, or for the acquisition of material, equipment, supplies or services comply with the mandatory nondiscrimination provisions. The City contracted with various vendors for materials, equipment, and goods and services for which the required language to comply with this statute wasn't included. This is a violation of this statute.

Remittance of bond principal and interest payments are to be remitted in accordance with K.S.A. 10-130, which requires the City to remit such payments to the state fiscal agent at least 20 days prior to the maturity of the bonds. The bond payment due on September 1, 2011, was received on August 15, 2011, and did not meet the requirements of K.S.A. 10-130. This is a violation of this statute.

13. Subsequent Event

On March 8, 2012, the City approved Ordinance 504 authorizing the issuance of general obligations bonds in the amount not to exceed \$260,000 for the construction of a new fire station.

14. Revenue Bond Indenture Requirements

Ordinance Number 457-- Summary of significant requirements:

		<u>Compliance</u>	
		<u>Yes</u>	<u>No</u>
The City shall:			
a.	Create proper principal and interest, bond reserve, and operations and maintenance accounts.	X	
b.	Maintain required balance in the following:		
	Water Utility - Bond Reserve	X	
	Water Utility - Principal & Interest	X	
	Water Utility - Operations & Maintenance	X	
c.	Allow public inspection of annual CPA audit.	X	
d.	Mail operating budget to original purchaser.	X	
e.	Adjust rates to pay next year's principal and interest and operation expenses.	X	
f.	Maintain books, records, and accounts in which complete and correct entries are made of all dealings and transactions of or in relation to the system. Such accounts show the amount of revenues from the system, the application of such revenues, and all financial transactions in connection therewith. This financial statement is presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas.	X	
g.	Obtain engineering inspection of water system every 5 years.		Waived by bond holder
h.	Report the number of customers at year end		
	12-31-10 – 499	X	
	12-31-11 – 502	X	
i.	Maintain adequate property, liability and workman's compensation insurance coverage.	X	

15. Long-term Debt

Changes in long-term liabilities for the City for the year ended December 31, 2011, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Principal Payments	Net Change	Balance End of Year	Interest Paid
Revenue Bonds:										
Water Improvement	4.4 to 4.9%	2003	\$ 350,000	2014	\$ 150,000	-	35,000		115,000	6,493
KDHE Loans:										
Sewer Improvement	3.39%	2001	535,140	2022	289,567	-	20,976		268,591	8,929
Sewer Improvement	2.77%	2007	800,007	2028	645,436	-	28,094		617,342	16,089
Capital Leases Payable:										
Generac Generator	5.50%	2007	48,150	2011	10,084	-	10,084		-	559
Generac Generator	5.50%	2007	27,000	2011	5,654	-	5,654		-	314
John Deere Backhoe Loader	2.95%	2010	55,000	2013	45,000		14,617		30,383	1,261
Total Contractual Indebtedness					1,145,741	-	114,425		1,031,316	33,645
Compensated Absences					33,025			(839)	32,186	
Total Long-term Debt					\$ 1,178,766	-	114,425	(839)	1,063,502	33,645

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

<u>PRINCIPAL</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017-2021</u>	<u>2022-2026</u>	<u>2027-2028</u>	<u>Total</u>
Revenue Bonds	\$ 35,000	40,000	40,000	-	-	-	-	-	115,000
KDHE Loans	50,571	52,118	53,712	55,357	57,052	312,580	216,069	88,474	885,933
Capital Leases Payable	14,982	15,401	-	-	-	-	-	-	30,383
TOTAL PRINCIPAL	100,553	107,519	93,712	55,357	57,052	312,580	216,069	88,474	1,031,316
<u>INTEREST</u>									
Revenue Bonds	4,777	2,940	980	-	-	-	-	-	8,697
KDHE Loans	23,641	22,222	20,757	19,250	17,693	63,394	25,601	2,807	195,365
Capital Leases Payable	896	437	-	-	-	-	-	-	1,333
TOTAL INTEREST	29,314	25,599	21,737	19,250	17,693	63,394	25,601	2,807	205,395
TOTAL PRINCIPAL & INTEREST	\$ 129,867	133,118	115,449	74,607	74,745	375,974	241,670	91,281	1,236,711

CITY OF QUINTER, KANSAS

Supplementary Information

For the Year Ended December 31, 2011

CITY OF QUINTER, KANSAS

SCHEDULE 1

Summary of Expenditures - Actual and Budget
For the Year Ended December 31, 2011

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:					
General Funds					
General Fund	\$ 755,863	0	755,863	694,121	(61,742)
Special Revenue Funds					
Library Fund	52,000	0	52,000	52,000	0
Employee Benefits Fund	47,000	0	47,000	39,869	(7,131)
Special Highway Fund	21,000	0	21,000	21,000	0
Proprietary Type Funds:					
Enterprise Funds					
Water Utility - Revenue Fund	162,033	0	162,033	157,816	(4,217)
Water Utility - Principal & Interest Fund	46,494	0	46,494	41,494	(5,000)
Water Utility - Operations & Maintenance Fund	120,540	0	120,540	115,123	(5,417)
Sewer Utility Fund	125,878	0	125,878	120,616	(5,262)
Sewer Utility - Principal & Interest Fund	85,878	0	85,878	76,395	(9,483)

See Independent Auditor's Report.

CITY OF QUINTER, KANSAS

General Funds

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011

Schedule 2

Page 1

	Actual	Budget	Variance Over (Under)
General Fund			
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 297,444	287,362	10,082
Delinquent Tax	1,999	0	1,999
Motor Vehicle Tax	42,540	28,522	14,018
Recreational Vehicle Tax	1,310	826	484
16/20M Vehicle Tax	547	170	377
Intergovernmental:			
Local Intangible Tax	15,160	14,909	251
Sales Tax	95,341	77,000	18,341
Compensating Use Tax	11,240	13,500	(2,260)
Franchise Fees	33,853	28,000	5,853
Fines, Permits, Licenses, and Tags	5,475	7,000	(1,525)
Swimming Pool	12,676	12,800	(124)
Interest on Idle Funds	815	1,000	(185)
Recreation	10,427	12,500	(2,073)
Recreation - Concession Stand	9,780	6,800	2,980
Miscellaneous	5,971	4,000	1,971
Reimbursements	6,684	500	6,184
Donations - Pool Slide	4,390	0	4,390
Donations - Fire Department	11,815	0	11,815
Donations	11,080	0	11,080
Gove County - Rural Fire District	27,500	27,644	(144)
Sale of Surplus Equipment	8,452	0	8,452
Total Cash Receipts	614,499	522,533	91,966
Expenditures			
General Government			
Personal Services	65,790	79,575	(13,785)
Contractual Services	17,409	15,500	1,909
Commodities	10,134	14,000	(3,866)
Capital Outlay	48,018	16,700	31,318
Telephone	4,988	6,000	(1,012)
Insurance	20,576	22,000	(1,424)
Miscellaneous	1,520	5,000	(3,480)
Meetings, Seminars, and Travel	1,328	0	1,328
Total General Government	169,763	158,775	10,988
Police			
Personal Services	29,979	40,000	(10,021)
Contractual Services	1,347	6,000	(4,653)
Commodities	1,033	4,000	(2,967)
Capital Outlay	7,184	500	6,684
Total Police	39,543	50,500	(10,957)
Pool			
Personal Services	28,852	30,000	(1,148)
Contractual Services	1,020	500	520
Commodities	8,025	10,200	(2,175)
Capital Outlay	5,637	0	5,637
Capital Outlay - Pool Slide	45,289	0	45,289
Total Pool	\$ 88,823	40,700	48,123

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CITY OF QUINTER, KANSAS
General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
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	Actual	Budget	Variance Over (Under)
Street			
Personal Services	\$ 20,934	34,000	(13,066)
Contractual Services	12,389	53,400	(41,011)
Commodities	31,770	50,700	(18,930)
Capital Outlay	76,143	0	76,143
Total Street	141,236	138,100	3,136
Fire			
Personal Services	3,320	4,000	(680)
Contractual Services	4,167	1,200	2,967
Commodities	2,563	6,000	(3,437)
Capital Outlay	23,347	0	23,347
Total Fire	33,397	11,200	22,197
Park			
Contractual Services	1,646	2,000	(354)
Commodities	2,150	2,500	(350)
Capital Outlay	7,684	7,500	184
Total Park	11,480	12,000	(520)
Recreation			
Personal Services	35,749	38,000	(2,251)
Contractual Services	7,107	3,500	3,607
Commodities	13,751	9,000	4,751
Capital Outlay	4,709	2,500	2,209
Total Recreation	61,316	53,000	8,316
Utility Service Cost	54,687	61,000	(6,313)
Audit Cost	6,750	7,000	(250)
Noxious Weed	340	2,000	(1,660)
Transfer to Capital Improvement Fund	72,088	72,088	0
Transfer to Equipment Reserve Fund	10,000	10,000	0
Appropriation to Senior Citizens Center	4,698	6,000	(1,302)
Capital Improvements	0	133,500	(133,500)
Total Expenditures	694,121	755,863	(61,742)
Cash Receipts over (under) Expenditures	(79,622)		
Unencumbered Cash, Beginning	253,910		
Unencumbered Cash, Ending	\$ 174,288		

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CITY OF QUINTER, KANSAS
Special Revenue Funds
Schedule of Cash Receipts and Expenditures - Actual and Budget
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	Actual	Budget	Variance Over (Under)
Library Fund			
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 46,106	44,544	1,562
Delinquent Tax	315	180	135
Motor Vehicle Tax	6,657	4,443	2,214
Recreational Vehicle Tax	205	129	76
16/20M Vehicle Tax	87	27	60
Total Cash Receipts	<u>53,370</u>	<u>49,323</u>	<u>4,047</u>
Expenditures			
Appropriation to Jay Johnson Public Library	<u>52,000</u>	<u>52,000</u>	<u>0</u>
Cash Receipts over (under) Expenditures	1,370		
Unencumbered Cash, Beginning	<u>4,832</u>		
Unencumbered Cash, Ending	<u>\$ 6,202</u>		
Employee Benefits Fund			
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 40,817	39,434	1,383
Delinquent Tax	193	200	(7)
Motor Vehicle Tax	4,612	2,951	1,661
Recreational Vehicle Tax	146	86	60
16/20M Vehicle Tax	68	18	50
Reimbursements - Quinter Housing Authority	52	0	52
Total Cash Receipts	<u>45,888</u>	<u>42,689</u>	<u>3,199</u>
Expenditures			
Social Security and Medicare	16,201	20,500	(4,299)
KPERs	13,252	16,000	(2,748)
State Unemployment	222	500	(278)
Workman's Compensation Insurance	7,623	10,000	(2,377)
Miscellaneous	2,571	0	2,571
Total Expenditures	<u>39,869</u>	<u>47,000</u>	<u>(7,131)</u>
Cash Receipts over (under) Expenditures	6,019		
Unencumbered Cash, Beginning	<u>10,883</u>		
Unencumbered Cash, Ending	<u>\$ 16,902</u>		

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CITY OF QUINTER, KANSAS
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	Actual	Budget	Variance Over (Under)
Special Highway Fund			
Cash Receipts			
Motor Fuel Tax-State of Kansas	\$ 21,911	21,870	41
Expenditures			
Contractual Services	0	21,000	(21,000)
Capital Outlay	21,000	0	21,000
Total Expenditures	21,000	21,000	0
Cash Receipts over (under) Expenditures	911		
Unencumbered Cash, Beginning	7,869		
Unencumbered Cash, Ending	\$ 8,780		

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CITY OF QUINTER, KANSAS
Special Revenue Funds
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	<u>Actual</u>
Equipment Reserve Fund	
Cash Receipts	
Transfer from General Fund	\$ <u>10,000</u>
Expenditures	
Capital Outlay	<u>22,623</u>
Cash Receipts over (under) Expenditures	(12,623)
Unencumbered Cash, Beginning	<u>30,432</u>
Unencumbered Cash, Ending	\$ <u><u>17,809</u></u>
 Capital Improvement Fund	
Cash Receipts	
Transfer from General Fund	\$ <u>72,088</u>
Expenditures	
Capital Outlay	<u>40,000</u>
Cash Receipts over (under) Expenditures	32,088
Unencumbered Cash, Beginning	<u>58,350</u>
Unencumbered Cash, Ending	\$ <u><u>90,438</u></u>
 City Park Donations Fund	
Cash Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Cash Receipts over (under) Expenditures	0
Unencumbered Cash Beginning	<u>298</u>
Unencumbered Cash Ending	\$ <u><u>298</u></u>

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CITY OF QUINTER, KANSAS
Enterprise Funds
Schedule of Cash Receipts and Expenditures - Actual and Budget
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	Actual	Budget	Variance Over (Under)
Water Utility - Revenue Fund			
Cash Receipts			
Water Sales	\$ 158,497	156,200	2,297
Deposits and Taps	1,350	2,250	(900)
Reconnect & Late Fees	1,200	1,000	200
Miscellaneous	2,830	500	2,330
Total Cash Receipts	<u>163,877</u>	<u>159,950</u>	<u>3,927</u>
Expenditures			
Transfer to Water Utility - Operation & Maintenance Fund	115,123	120,540	(5,417)
Transfer to Water Utility - Principal & Interest Fund	41,493	41,493	0
Transfer to Water Utility - Bond Reserve Fund	1,200	0	1,200
Total Expenditures	<u>157,816</u>	<u>162,033</u>	<u>(4,217)</u>
Cash Receipts over (under) Expenditures	6,061		
Unencumbered Cash, Beginning	<u>96,229</u>		
Unencumbered Cash, Ending	<u>\$ 102,290</u>		
Water Utility - Principal & Interest Fund			
Cash Receipts			
Transfer from Water Utility - Revenue Fund	\$ 41,493	41,493	0
Expenditures			
Principal - Revenue Bonds	35,000	35,000	0
Interest - Revenue Bonds	6,493	6,493	0
Fees	1	1	0
Cash Reserve	0	5,000	(5,000)
Total Expenditures	<u>41,494</u>	<u>46,494</u>	<u>(5,000)</u>
Cash Receipts over (under) Expenditures	(1)		
Unencumbered Cash, Beginning	<u>42,233</u>		
Unencumbered Cash, Ending	<u>\$ 42,232</u>		

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CITY OF QUINTER, KANSAS
Enterprise Funds
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For the Year Ended December 31, 2011

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	Actual	Budget	Variance Over (Under)
Water Utility - Operations & Maintenance Fund			
Cash Receipts			
Transfer from Water Utility - Revenue Fund	\$ 115,123	120,540	(5,417)
Expenditures			
Personal Services	43,448	70,700	(27,252)
Contractual Services	9,985	10,070	(85)
Commodities	22,815	22,770	45
Capital Outlay	30,761	12,000	18,761
Miscellaneous	2,991	0	2,991
Travel	1,000	1,000	0
State Water Plan	4,123	4,000	123
Total Expenditures	115,123	120,540	(5,417)
Cash Receipts over (under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	\$ 0		
Water Utility - Bond Reserve Fund			
Cash Receipts			
Transfer from Water Utility - Revenue Fund	\$ 1,200		
Expenditures	0		
Cash Receipts over (under) Expenditures	1,200		
Unencumbered Cash, Beginning	10,400		
Unencumbered Cash, Ending	\$ 11,600		

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Enterprise Funds

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Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Sewer Utility Fund			
Cash Receipts			
User Charges	\$ 122,578	117,700	4,878
Miscellaneous	50	0	50
Total Cash Receipts	122,628	117,700	4,928
Expenditures			
Personal Services	0	13,000	(13,000)
Contractual Services	2,684	8,500	(5,816)
Commodities	11,642	5,500	6,142
Capital Outlay	16,737	5,000	11,737
Sewer Maintenance Contract	15,254	11,000	4,254
Transfer to Sewer Utility - Principal & Interest Fund	74,299	82,878	(8,579)
Total Expenditures	120,616	125,878	(5,262)
Cash Receipts over (under) Expenditures	2,012		
Unencumbered Cash, Beginning	44,120		
Unencumbered Cash, Ending	\$ 46,132		
Sewer Utility - Principal & Interest Fund			
Cash Receipts			
Transfer from Sewer Utility Fund	\$ 74,299	82,878	(8,579)
Expenditures			
Principal - KDHE	49,070	28,137	20,933
Interest - KDHE	25,018	52,241	(27,223)
Fees	2,307	2,500	(193)
Cash Reserve	0	3,000	(3,000)
Total Expenditures	76,395	85,878	(9,483)
Cash Receipts over (under) Expenditures	(2,096)		
Unencumbered Cash, Beginning	84,974		
Unencumbered Cash, Ending	\$ 82,878		

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CITY OF QUINTER, KANSAS
Private Purpose Trust Funds
Schedule of Cash Receipts and Expenditures - Actual
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	<u>Actual</u>
Revolving Loan I Fund	
Cash Receipts	
Principal and Interest Payments Received	\$ 5,442
Interest on Idle Funds	<u>30</u>
Total Cash Receipts	<u>5,472</u>
Expenditures	
Contractual Services	692
Loan Disbursements	<u>35,400</u>
Total Expenditures	<u>36,092</u>
Cash Receipts over (under) Expenditures	(30,620)
Unencumbered Cash, Beginning	<u>32,998</u>
Unencumbered Cash, Ending	<u><u>\$ 2,378</u></u>
 Revolving Loan II Fund	
Cash Receipts	
Principal and Interest Payments Received	\$ 14,626
Interest on Idle Funds	<u>65</u>
Total Cash Receipts	<u>14,691</u>
Expenditures	
Contractual Services	712
Loan Disbursements	<u>59,554</u>
Total Expenditures	<u>60,266</u>
Cash Receipts over (under) Expenditures	(45,575)
Unencumbered Cash, Beginning	<u>56,620</u>
Unencumbered Cash, Ending	<u><u>\$ 11,045</u></u>

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